

# CRISIS OF THE COUNTRY.

BY JUNIUS.

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## THE CREDIT SYSTEM AND THE NO CREDIT SYSTEM.

### *How the credit system affects the poor.*

THE poor man's family is sick, and he wants a doctor. The doctor comes, and waits till the poor man can pay. He wants medicine at the apothecary's, and the apothecary does him the same favour. Suppose he can never pay. The doctor and the apothecary can both afford to forgive him the debt; they consented to the risk; distress has been relieved; and society is benefitted by a voluntary tax on those who could afford it. Besides, the man may be able to pay; and in nine cases out of ten, or in nineteen out of twenty, he will.

### *How the no credit system affects the same case.*

The doctor don't come; the apothecary refuses the medicine; the sick members of the family may live; but more likely will die. There is distress aggravated; there is perhaps loss of life; on one part, there is a sense of unkindness, and of a want of humanity, despair, death; on the other is hardness of heart, a consciousness of wrong, at least to humanity; society is injured; nobody is benefitted.

### *How the credit system affects a young man setting up in life.*

We will suppose he has earned a good character, is respected, esteemed, and in all respects qualified for this, that, or the other kind of business; but he has nothing to begin with--no capital. He has friends, however, who are able and willing to supply his wants, and wait till his success in business may enable him to refund. The parties who help him know there is some risk, but they can afford it, and they have a good feeling, a gratification in the matter. If they lose all, they are not embarrassed by it; whether they lose or not, they are better in heart; they are conscious of having done a good thing; and society is benefitted. It is in no way injured, because the property is somewhere, in use, though it may not come back to them. But in most cases of this kind, the young man succeeds, pays all, is thereby put forward in life, obtains a standing, has credit of his own, can do the same favour to others, will be disposed to it from gratitude, is respected, honoured, blessed. He is also enabled to do a great deal of good in the various relations, and for the most important purposes of life, because he has the means. He may be honoured with public trusts, and discharge them for public good. He is a made man, and made by credit; a blessing to himself, to his family, to society.

### *How the no credit system affects the same case.*

The money lent by these kind friends to this worthy young man, would perhaps otherwise have been hoarded up as dead capital, to do nobody any good. At least

it would have been retained for selfish ends, instead of being appropriated for generous objects. The feelings of these parties, who have come to the aid of so worthy a person, and by that means made a thrifty, useful, happy man, would, in the case of the no credit system, have failed of this high gratification, and been bound up in selfishness. This young man would have been doomed to remain where he was, to look this way, and that way for help, finding none. He would have failed to get into the business of the case supposed, which belongs to the credit system ; he would have encountered hard-heartedness all around him, grown selfish himself, perhaps discouraged. The chances are many that he would never have come to any importance in society, that he would have got into low pursuits, and a low condition, perhaps been abandoned to vice, or ended his days in crime.

What proportion of young men in our country are so favoured as to inherit capital ? Probably not one in a hundred. Will they not, then, be in favour of the credit system ? Will not fathers, who look with anxious concern on the sons to whom they can leave nothing but their blessing, be in favour of this system ?

#### *How the credit system affects mechanics.*

Take for example a journeyman printer of good character, who is offered a chance, with good prospects, of placing himself at the head of an establishment in his line of business as proprietor ; but he has not sufficient capital. The credit system, however, comes in, and enables him to conclude a purchase. He rises at once to importance, with every prospect of doing well. The credit system has given him a place and advantages in one day, which, it is possible, he could not have acquired in all his lifetime under the no credit system, and nobody is injured by it. They who have accommodated him were perhaps as willing to do it for their own interest, as he was to accept it for his.

This may illustrate the case of ten thousand, more probably of a hundred thousand mechanics in our cities and country, who are as deeply interested in the credit system, as the individual here supposed. The same may be said of young men and others engaged in agriculture, in manufactures, in trade, in any calling of life, requiring some capital to begin with. On the no credit system most of them might give up all hope of being able to establish themselves, within a reasonable period, in a respectable and advantageous position for the business they have chosen.

#### *How the credit system affects those who are already established in business, and are worthy of credit.*

It enables them to enlarge their plans on a prudent basis, as they may judge best ; to attempt and accomplish many things which active minds prompt to, which are essential to happiness, possibly to the greatest usefulness. It is a right which they have earned by their probity, by their good conduct, by their diligence in business, and which is conceded to them by the respect and good esteem in which they are held. Their good name is as much a capital as their money ; in acquiring the last honestly, they have acquired the first, and with the same pains. They are, therefore, as fairly entitled to trade upon one, as upon the other.

#### *How the no credit system affects the same cases.*

It is a libel on good character ; it is a libel on society ; it is a quenching of the spirit of noble and generous confidence ; it is cramping the expansive powers of sound public morality ; it prevents the accomplishment of great good ; it checks activity and limits useful enterprise ; it curtails individual and public wealth ; and in a thousand ways robs society of benefits and advantages it would otherwise realize.

#### *How the credit system affects a poor young man of promising abilities who has lost his health that he cannot work, and wants to get a liberal education.*

His friends take him by the hand, and help him, with the understanding, if he

should be able, that he should remunerate them. The young man gets his education by this assistance, enters his profession, is successful, and returns to his benefactors to redeem his pledge. Possibly they may be in circumstances not to want it, or so gratified with the good they have done, as to say, "No, you are welcome," and offer to cancel the obligation. Still, he may insist upon repayment. Who will deny that this is a great blessing to all the parties and to society?

But suppose the young man dies in the course of his education, or is unsuccessful, his benefactors always had this contingency in prospect, can generally afford the loss, and there is no complaint. Who is injured?

*How the no credit system affects the same case.*

The unfortunate young man is cut off from all prospects in life, left to want, perhaps to misery and starvation. His supposed benefactors must now be supposed hard-hearted and selfish; kindness and morality are so much the less; and it is possible, that society is deprived of one of its brightest ornaments, of a most useful public character, and the country of one of its most illustrious men.

*How the credit system affects the honest and strong, though poor man, who goes with no estate but his axe and rifle on his shoulder into the western wilderness.*

It is possible that even his rifle and axe were furnished by a kind neighbour, who said, "Pay for it if you prosper; if not you are welcome." In the first place, on the basis of the credit system, he may avail himself of the privileges of a squatter, if he chooses. That is credit, and his creditor is the Government of his country. He has no money, but he has a strong arm, and a sound and courageous heart. The trees fall before him; a "log cabin" is soon erected; he gets food by his rifle. Our pioneer of the wilderness, having cleared away his patch—made "an opening" as they say in the West—and built his cabin, takes down his rifle, makes his way through the forest to the nearest of one of the older "settlers," who had begun in like manner, but has now large openings, a barn filled with grain, cattle, pigs, poultry, &c. He negotiates with this neighbour, whom perhaps he had never seen before, for seed, pigs, fowl, a cow, perhaps a yoke of oxen—all on credit, for still he has no money. The look and bearing of the man are a sufficient recommendation, the bargain is closed, with no other security than the common generous faith of the West, "Pay when you can." Not even a scrap of paper is demanded. The obligation is written on the heart, the best of all securities in such a case. "God bless you, neighbour," says the generous creditor, who knows how to sympathize with such a case, "let us see you when you can;" and they part. Our pioneer takes care to assert the pre-emption right of a squatter, has booked to him at the Government land office as much land as the terms of sale will allow, or as he may want. He works away upon credit, pays for his seed and first supply of stock, meets his engagements at the land office; after two, three, or four years, is well off, though still in debt, still living and prospering on credit. He revisits his native place, marries the daughter of the kind neighbour who gave him the axe and rifle, who welcomes his return with all the generous feelings of a benefactor.

We may suppose our pioneer to have squatted on the prairies of the West, and by adapting the scene to the circumstances, the result would be the same.

In the succession of events this man, long before he dies, is first a justice of the peace over a surrounding population, whose history corresponds with his own; next, perhaps, a member of Congress; and finally, it may be, is Governor of a new western State. He has risen from nothing to wealth, to consequence in society, to dignity, to happiness; all on the basis of the credit system.

This brief story is not fiction, but fact. It is a true copy of the history of our "Great West;" it is exactly in accordance with the whole history of our country. Nearly all our best citizens and greatest men began life with nothing—started on

credit. Credit has been the spring of our enterprise, the nurse of our prosperity, the cause of our greatness.

*How the no credit system would affect the same case.*

Clearly this noble-hearted man would never have gone west, for he had not the means to get there and cut down the trees. Nor could the Government have allowed him to squat on the no credit system. Neither could he have obtained his pre-emption right. Not one of the results of this interesting narrative—which would apply equally well to a thousand, to ten thousand cases of fact, to the whole history of our western world—would have transpired without the credit system. Without this, the western states would have remained a wilderness to this day. The prosperity and greatness of that teeming, active, go-ahead portion of the American Union, are founded on the creative, prolific principle of credit. The prosperity and greatness of our whole country, of this Republic, are founded upon it. In describing a few of these cases, we write the history of this nation, so far as respects the causes of our unprecedented growth and importance.

*How the credit system affected the early history of the North American Colonies.*

Our ancestors came here poor, just as our pioneer of the West, above described, went into the wilderness. It is true they had some patronage from Government, and from other quarters, but patronage is one of the forms of credit, in the same manner as our pioneer had the patronage of the good old man, who afterwards became his father-in-law. Our ancestors had almost nothing to begin with. The whole enterprise of settling this western world was a credit enterprise, not only in respect to the hopes entertained, but also in respect to the foundation on which it was based.

The discovery of America was affected on the credit system. Was not Columbus a beggar for credit at the courts of Europe, through the whole history of his great, sublime, and glorious undertakings? Are not the whole of his achievements to be ascribed to the effectiveness of that principle? Undeniably. The grandest conceptions of man that are executed, are ordinarily done on the basis of credit. This we shall find to be true in every department of history, whether we refer to those who have acted only on mind, or wielded empire over the world of nature. The reasons are, first, because they who conceive the greatest things are not the most fit for the prudent calculations of business; and next, because they who are already possessed of wealth and independence have no motive, are too sluggish to entertain great enterprises.

It was the poverty of our ancestors, and other social inconveniences, which drove them to this new world. Some of them may have had a little wealth; but what was it all compared to the greatness of the undertaking? It was credit on which they started, in hope of future income; it was credit on which they worked and traded, fought and died, the inheritance of which they bequeathed to their children; it was credit on which they achieved all that gives them honour in our esteem, respect among mankind, renown in history. Our ancestors were always in debt to the mother country as individuals and as colonies. One of the chief causes of the war of the Revolution were the difficulties raised in the management of these accounts.

*How the no credit system would have affected the early history of this country.*

In the first place, America would not have been discovered. But passing by that, these United States would never have had existence; because the Colonies would not have been planted; or, if planted, could not have been reared without credit. Both private and public credit was used on a large scale during the whole of our Colonial history. The Colonies were begun, carried forward, and raised to all their importance, such as it was, by that means.

*How the credit system affected the attainment of our Independence.*

The quarrel of the Revolution was, in effect and in substance, a quarrel about credit, commercial credit and the claims of royal prerogative. The right of absolute sovereignty was asserted as a credit account. This right, as to the manner in which it operated, was denied and resisted. Hence the war, and hence the result. The latter we regard as a blessing, and owe it to this quarrel about credit.

But how could we have maintained that struggle, or gone a single step in it, without a national credit? A few feeble settlements, having always been in a state of dependence, without money and greatly in debt, without arms, without troops, without ships of war, with no government even, except a hasty, provisional one set up for the exigency; such a people pitted in a conflict of arms against one of the oldest, best provided, and most powerful empires in the world! But credit, that spring of enterprise in peace, that soul and sinew of war, came to our aid. Funds, ships, armies, flew to our relief. We issued bills of credit of our own; and a baseless paper currency for our domestic uses, which answered all the purpose at the time, though it proved to be good for nothing afterwards. Perhaps it would be true to say, that we owe our Independence to the credit of that baseless Continental paper. What could we have done without it in such an hour? It is true, it was never redeemed; but the people were redeemed, and bore with patience this tax to their country's deliverance. They who paid a hundred dollars for a breakfast, poor as they were, could point to a nation's independence purchased by the sacrifice—a nation, of which each one of these exulting spirits could say for himself, "I am ONE—a part and parcel of this infant empire!"—a nobler, richer, prouder inheritance than the wealth of Crœsus. In the enjoyment of the blessings of freedom, they soon forgot their losses. Credit was the charm, the potent agency that carried them through. What could have been done without it? Dismay would have covered every countenance in the outset, and the world would have pronounced our fathers madmen. But it was the generous faith of mankind, credit, that saved us.

*How the credit system enabled us to carry on the last war with Great Britain.*

We may, perhaps, say, in the gross, that that war cost the nation \$200,000,000, if we include all sacrifices, public and private, and left us involved to the amount of some \$120,000,000, more or less. We had nothing but debt to begin with: we sustained the burden; acquitted ourselves with honour; and in about twenty years after the peace cancelled the debt; all on the basis of credit. Without this we could have done nothing; without this a nation might now insult us with impunity.

*How the credit system still affects the Government of the United States.*

It can obtain money whenever it wants, and to any amount.

*How the no credit system would affect the Government of the United States.*

It could not have issued its \$5,000,000 of Treasury Notes in the spring of this year, (1840,) nor its \$10,000,000 of 1839. The wheels of Government would have been stopped. There would have been a revolution, succeeded by anarchy, or some new state of things, we know not what. A Government without credit is no Government at all. It is dissolved in the event. The event itself is the instrument of its dissolution, and no other could be formed except on the basis of credit.

Can it, indeed, be true, that a Government seeking to abolish the credit system, is itself, at the same time, asking and realizing all its advantages, by the issue of its own paper, without a dollar of specie to base it upon? That it is issuing this paper by millions one year after another? We know it is good; but we

ask for consistency, for the proofs of sincerity. Or is this Government prepared to say to the people, " *You shall not have credit, but we will?*" Will they say, it is good for *public, national* purposes, but bad for *private* use? But the Government is compelled to use credit—hey! And may it not also be convenient to us, the people?

*How the credit system affects the British Empire.*

For a quarter of a century that Government was able, by the mere force of her *crédit*, to stand against the most powerful combination for the destruction of her manufactures, her trade, and the throne itself, which was ever formed against any nation, and was victor in the end. Still she holds on her way, dotting the face of the globe with her colonies, absorbing old empires and erecting new ones, covering all seas with her navy and her commerce, creating new worlds in this little world of ours: all on the basis of her credit. The sun never sets upon her dominions, and her morning drum keeps pace with each of the twenty-four hours.

*How the no credit system would affect the British Empire.*

It could not exist a day, but would fall to dissolution in ten thousand fragments, presenting a scene of social devastation, such as the world never saw.

*How the attempt to introduce the no credit system has forced our Government to resort to credit.*

Nothing but bad Government can keep the American people down. If they are not up soon after the revulsion of overaction, it is only because the Government will not let them get up; if they are not going ahead, it is only because the Government has knocked them on the head. The no credit system will not only destroy a Government, but it will destroy a people. Carried out, it is the dissolution of society. This is its true definition, as well as its effect. An attempt to introduce it, therefore, from the highest department of society, from the Government, is just knocking the people on the head. They can't stand it. It is governing too much. It is destroying faith, morality, the bond of the social state.

Just let the people know that this is what the Government are about, and that is enough. They feel the blow, and reel under it. The body politic shakes, trembles, and quivers through all its parts to its extremities. Men are frightened; confidence takes flight; rumour with her thousand tongues stalks abroad; and society presents a scene of confusion, with disaster following quick upon the heel of disaster.

When a Government, instead of endeavouring to repair and re-invigorate a shaken credit, strikes another and more tremendous blow, by telling the people, " Since you will abuse credit, you shan't have it," it is like a bolt from heaven that shivers the oak. It is punishing the whole nation for the sins of a few. It is like the quack, who, lighting upon a community visited by an epidemic disease, not only kills the sick by his want of skill, but forces down the throat of every well man, woman, and child, a drug which kills them all, under pretence that it is to save them from the contagion.

No wonder such a mode of treatment reacts upon the Government, and they find themselves in a few short months fallen from a surplus to a deficient and rapidly failing revenue. No wonder they are compelled to resort to credit to save themselves, as they have destroyed credit in the ranks of the people by the threat of doing it. A country thus injured is so far impoverished.

*How the state debts are affected by this alarm occasioned by the action of the Government.*

Take for example the debt of the state of Pennsylvania, which is \$36,000,000. Before the shock occasioned by the Government attempt to abolish credit was felt, the bonds of the Commonwealth of Pennsylvania were worth in the market of the world \$113 on every \$100. The last sales were at \$75 on the par value of \$100, since which there has been no demand. Suppose, however, that the

bonds of Pennsylvania are now (June 1, 1840) worth \$75 on \$100. They cannot be worth more than this. It will follow, that the entire depreciation from 113 per cent. to 75 per cent., on a debt of \$36,000,000, is \$13,680,000 ! Is not this a truly amazing effect ? Is it not a mortifying position to a sovereign Commonwealth to be obliged to observe such a falling off in her own fair fame ?

### *How the Independent Treasury is a Government Bank, and how a Government Bank differs from a National Bank.*

The Independent Treasury is a *bank of deposite* for the revenue of the country ; that is certain. No one will deny this. If it be called a *place of deposite*, the change of name does not alter the thing. The only question is, whether it is a bank in the proper sense of the term. What, then, is a bank ? Is the privilege and office of *discount* essential to a bank ? No one will pretend it is. What, then, remains as essential to the proper character of such an institution ? Simply and manifestly, the two faculties of *deposite* and *issue*, both of which belong to the Independent Treasury, and are essential elements of the bill of organization. The Treasurer of the United States is empowered by this bill to issue drafts on the several branches or places of deposite *at his discretion, without any restriction as to amount or form*. Here, then, is a bank—a bank of deposite, and a bank of issue—all that is essential to a bank. Moreover, these drafts will be an actual currency, so long as they are out; a currency that will be preferred to all others, and pass at a premium.

It remains to observe how this Independent Treasury is a Government Bank in distinction from a National Bank. Simply, because, in the case of a National Bank, it is under the control of a directorship responsible to the legislative branch of the Government ; whereas, in the case of the Independent Treasury, it is to be under the sovereign control, and directorship of the President of the United States, in which capacity he is virtually invested, by the bill of organization, with the three several powers of President, sole Director, and Cashier of the Institution, all which he can use at pleasure by proxy, or otherwise ! Is not this a Government Bank with a witness ?

### *How the constitutional prerogative of the respective States to control their own monetary capital may be, and is likely to be usurped by this Government Bank.*

It is true, that the right of the states to *charter* banks, if they choose so to do, will remain. But of what use is the right, so long as this Government Bank has control over the specie of the country, and is able to draw all great monetary transactions within the circle of its influence ? Whenever this institution shall choose to exert its powers, in these particulars, to the full extent of its possible sway, the constitutional control of the states over their own monetary capital will exist only in name. All that power will be wrested from their hands. We need not say, that the sovereignty of a state will not be worth a penny, when this vital element of her political existence is taken away. What is a political body without the control of a monetary capital ? A mere cipher.

### *How the operation of this Government Bank will work a revolution in a ruinous depreciation of the prices of property and labour.*

It is an uncontested maxim, that the prices of property and labour are graduated by the amount of the circulating medium. It is also obvious, that the scheme of the Independent Treasury is to reduce and confine the currency of the country to hard money ; and this is likely to be the effect of its full operation. " Study," says Mr. Benton, of the United States Senate, " the financial history of Holland, France, Cuba. Follow their example. Imitate them." This is known to be the doctrine of our National Administration.

The average prices of labour in some few hard money countries are as follows :—In France 5 shillings and 8 pence sterling per week. Hours of labour 12 in the day, or 72 for the week. In Switzerland, 4 shillings and 5 pence per week.

Time of work, 82 hours. In Austria, 4 shillings per week. Hours 76. In Tyrol, 3 shillings and 9 pence per week. Hours 85. In Saxony, 3 shillings and 6 pence per week. Hours 72. In Boon, on the Rhine, 2 shillings and 6 pence per week. Hours 84. In Egypt, 3 to 3½ pence per day. The average price for the above named European countries is 3 shillings and 11 pence and 3 farthings per week: and the average number of hours 79. This average price of labour per week, amounts to about 97 cents of our currency.

In England the prices of labour per week, range from 15 shillings sterling, (or \$3 63 cents,) to 30 shillings, (or \$7 26 cents.) Average, \$5 43 cents. In the United States the prices of labour have heretofore ranged from \$3 to \$6 per week. Average, \$4 50 cents.

This comparison will show the difference between the prices of labour in hard money countries and mixed currency countries. Great Britain and the United States are known to have been the most prosperous countries in the world. The cause is to be found in the high prices of property and labour. It may be laid down as a maxim of universal truth, that the highest state of prosperity in any country is that condition of things which maintains as a *permanency* the highest prices of property and labour; more especially of labour; and that the state most remote from prosperity, is that which reduces the prices of property and labour to the lowest point. In all the world and in all ages this will be found true, other things being equal. The lowest prices of property and labour will be found under absolute and despotic governments, and in a state of barbarism, where also will be found the greatest poverty, and the most misery.

It is not sufficient to say, that the depression of these nominal prices does not depress prosperity, when other things are equal, because other things are never equal, as we shall see in what follows.

Let us, then, proceed to consider how the operation of this Government Bank scheme will affect the property and labour of the country. The amount of a sound mixed currency of a country is at least three dollars to one of a hard money currency. This is the smallest difference, which we are therefore entitled to assume as giving the greatest advantage to our opponents. By this rule the following calculations are made for the purposes of illustration, the principle of which may be accommodated to any supposable or actual state of things. It will be seen that the standard we assume is perfectly immaterial to the argument. In the assumption of any other, to suit parties or persons, the grand result would be the same for all our purposes.

Consequently, by the principle laid down, which will not be controverted, viz. that the amount of currency graduates the prices of property and labour, it will follow, that the introduction and full operation of the Government Bank system will reduce the prices of property and labour at least two-thirds. How much the reduction will exceed this fraction may be guessed at by a review of the comparative prices of labour in different countries given above.

Let us, then, estimate the amazing change. The working man who, under the old system, received his dollar a day for wages, would find them reduced to 33 cents under the new. The dollar and a half per day of the journeyman carpenter, mason, tailor, jeweller, cabinetmaker, printer, bookbinder, and of numerous other trades which it would fill a page to mention, would be reduced to fifty cents. The six-pence of the milkman, who makes his daily round through the streets of our cities, would be reduced to two-pence. In the same proportion would those market people suffer who supply the tables of our towns and cities from the surrounding country. Beef, instead of nine cents a pound, would be three; potatoes would fall from thirty to ten cents a bushel; corn from seventy-five cents to twenty-five; wheat and flour in the same proportion; and so of all kinds of meats, all kinds of bread stuffs, and all kinds of vegetables. The saddler's \$18 would dwindle down to \$6, and the bootmaker's \$6 to \$2. The man who under the old system could lay up \$300 a year, under the new could lay up only \$100, or \$50 instead of \$150, or \$25 instead of \$75. The farm worth \$1500 under the old, would be worth only \$500 under the new. In the same manner and in the same proportion will every species of property be depressed: lands

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farms, houses and tenements, city and country estates, homes, cattle, sheep, wool, the products of the soil and of labour, labour itself, service of every description, and in every capacity of common life, in town and country; *every thing*, indeed, *except the salary of the President of the United States*, and those of the officers and agents of Government, amounting to one hundred thousand; all which would be raised in value in proportion to the increased value of money, be it more or less. *They* say, two-thirds. Of course, the President's salary would be worth \$75,000, and those of other officers and agents of the Government in proportion to their nominal amount.

But debtors, who probably constitute nine-tenths of the population, would be the greatest sufferers of all, inasmuch as they would not only suffer equally in the depression of their property, if they have any, but in the same proportion for all that they owe. In many instances a debtor who was actually rich under the old system, may be reduced to nothing by the substitution of the new. Nay, he will be as much worse than nothing, as his debts exceed one-third of his property. For example:—If a man's property was worth \$60,000, and his debts were \$30,000, he will be \$10,000 worse than nothing by the change. A farmer possessed of an estate worth \$1500, and being in debt \$750, would find himself \$250 worse than nothing by the change. A farmer who could pay a debt of \$300 with 300 bushels of wheat under the old system, must part with 900 bushels to pay it under the new, besides sacrificing two-thirds of the former value of his farm, if he is obliged or wishes to sell it. In the same two-fold proportion would all debtors, having property, suffer by the change.

It has been said by high authority—with how much truth we know not—that the aggregate of private debts in every commercial country like ours is ordinarily equal to all the property of that country; in which case, as will be seen, such a revolution as will necessarily be brought about by reducing the circulating medium of this country to a hard money level, would increase this indebtedness of individuals to three times the value of all the property to be found in the whole country!

Taking the assessment list of the state of New York as a standard of the valuation of its property—which, as is well known in all such cases, is much below the true value—and adding to that her public works and other species of property not taxed, all of which must suffer alike in the general wreck of this revolution—and it would probably be a moderate estimate to rate her losses in passing from the old to the hard money system, on the principle established, at \$500,000,000! For our present purpose it may be sufficiently accurate to assume, that all our States and Territories would suffer in the same proportions to New York, as is the proportion of their respective representations in the House of Representatives in Congress—which would show an aggregate loss to the whole United States of \$2,500,000,000!

Besides all this, by withdrawing two-thirds of the circulating medium, we withdraw two-thirds of the active capital of the country, or which is the same thing, two-thirds of the means of public prosperity. The productiveness of this capital, by the application of skill and labour would be twice as much to the nation as the prosperity based upon the one third retained. Yes, much more than that, on the principle, that every increase of capital augments the power of acquiring wealth in a manifold proportion. We might probably say with truth, that the failure of fifty banks a year in the United States, of half a million of capital each, all falling on the people, would not be so great a loss to the nation.

It is to be observed, that a dollar under a sound mixed currency, is as good as a dollar under an exclusive metallic currency, so far as respects public faith, because it will always procure hard money. A dollar is a dollar in America, in Europe in Africa, in Asia, every where, at all times. Though it may not procure so much of the necessities of life under a mixed as under a hard money currency, it counts the same as an acquisition or investment; and a dollar under the former system is worth just as much in our relations to all the world as a dollar under the latter. Consequently, in our social, commercial, and political standing with

all the world, we should be worth three times as much, and have three times the strength under the former system, which we should have under the latter. Besides, we should be able, and on that system alone able, to maintain our rivalry with Great Britain, and our relative standing with other nations.

There, too, is our foreign debt of some \$200,000,000; standing against some of our States and against individuals, and in that way against the country, which, by the principle already recognised, would rise to \$600,000,000, under the new system, not nominally indeed, but really, without a fraction of that abatement which is ascribed to our domestic condition under such a change. The true reckoning would be on the other side. For it must all be paid in specie. It would even be more difficult to pay \$200,000,000, after this change, than \$600,000,000 before it had begun.

All the gain of such a new state of things would be to the rich, and all the loss to the poor. The latter would still have to pay the same for their tea, coffee, sugar, cloths, and all foreign productions, if they could ever get money enough to have either. But this *If* makes a very doubtful case. It is the doom of the poor in all hard money countries to remain forever poor, with scarcely the means of subsistence. So would it be with us. They would be ground to the dust.

"America," said a distinguished foreign statesman, "is (*was* we must say now) the heaven of the poor man." And why? Because, first, of the exceeding facility of getting enough to live on; and next, because of the numerous and great facilities of getting rich. But introduce this new state of things, and it will be comparatively a hell to him.

We are not aware, that there is any ground for the charge of fallacy, or of error, in the calculations we have made, or in the results to which they have conducted us. Is it not, then, high time for the people of this country to look this tremendous reckoning in the face?

### *How a Despotism may grow up in a Republic.*

"I am enabled to state," says the President of the United States, "that in twenty-two out of twenty-seven Governments, from which *undoubted* information has been obtained, the public moneys have been kept in charge of *public officers*."—That is, of officers dependent only on the prince, or sovereign; but *independent* of the people—*independent* of a Constitutional legislative body elected by the people. In other words, twenty-two out of twenty-seven monarchies have adopted the *Independent Treasury*. Heretofore, we have *repudiated* the example of foreign despots as a model of government; but *now*, forsooth, the Chief Magistrate of the American republic invokes their influence and aid to establish the *vital principle* of their independent and absolute sway—the very soul of that system which has made *slaves* of the poor wherever it has existed, and ground them to the dust!!! Moreover, the President, by his own confession, has been engaged in *such* a correspondence for *such* an object! The Chief of our republic conspiring with the despots of Europe, taking lessons from them on the principles of government, and recommending the example of twenty-two of the most *absolute*, instead of the five where there is some freedom left!

"I ardently desire," says Senator Walker, "to see this country in the same happy condition with Cuba." (!) "I coincide," says Mr. Calhoun, "with the Senator from Mississippi." "Reduce," says Senator Buchanan, "our *nominal* to the *real*" [hard money] "standard of prices" [of property and labor] "and you cover our country with blessings and benefits!" "The price of labor is entirely *too high*," says Senator Tappan. He also adds: "The laborers in this country can afford to work for eleven pence a day, and the hard money system will bring down wages to that sum. Wheat will also come down to sixteen cents a bushel, and every thing else in proportion. The Subtreasury will effect both objects." Yes, verily, Senator Tappan, in sad truth it will. "I thank thee, Jew, for that word." The scheme stands revealed, and "he who runs may read." The President, Benton, Calhoun, Walker, Buchanan, Tappan—all have revealed it—and here it is! Let the people, especially the *working* people, see! "Eleven pence a day!"

"Can afford it!" "Wheat sixteen cents a bushel, and everything else in proportion!" except tea, coffee, sugar, cloths, and all foreign productions, which would remain the same, and no money to buy them. "Eleven pence a day for labor," and "sixteen cents a bushel for wheat," would oblige the working man and farmer to live on corn bread and potatoes, and clothe themselves and their children in the same fabrics which are worn by the slaves of the south. Wooden shoes, too, would come into fashion—and no mistake. The President's salary rising by this change to the value of \$75,000 annually, and those of his hundred thousand dependents at the same rate! Let the most iron despotisms of the age, of all history, beat that if they can! If our fathers had foreseen it, could they have consented to die martyrs to freedom for sons capable of enduring such a bondage?

It is true, indeed, that these conspirators against the interests of the working classes, and of all American citizens who have a stake in the commonwealth, have been frightened at the echo of their own words as it comes back to them from an indignant public, and are struggling, like the school boy culprit, between conscience and a fear of the rod, to say, "*I didn't.*" But, you *did*, gentlemen. This attempt to get off, is like the efforts of a rat in a trap to get *out*. It is meaning, not words—facts, not metaphysics—with which we have to do. The people of this country are resolved to know, whether it is the plan of the Government *to unite the purse and the sword*, (a scheme actually consummated by the President's ratification of the Independent Treasury on the 4th of July, 1840!) They are resolved to know, whether the Government propose to reduce the prices of property and labor to one *half*, or one *third*, or one *fourth* of their former value, (a thing already done); and whether office holders, from the President downwards, are to be as much *better off*, as the people are *worse off*, by the change. This is what they are *resolved to know*. Let the reader review the previous article and this, and then judge for himself.

### *How this experiment will affect our relations to Great Britain and other nations.*

First, our political power will be diminished in the same proportion with our wealth and prosperity. Either one of these is ordinarily a fair measure of the other. Great Britain would still go on with her giant strides on the credit system, augmenting her relative power and ascendancy over us, just as the man of great capital can outstrip in business and overshadow in greatness his poorer neighbour—just as Stephen Girard, of Philadelphia, was more powerful as a merchant and banker, than any other single man of the same city. On the credit system, we have proved a match for Great Britain; without it, all our competition in commerce and political importance, hitherto so well sustained, would dwindle into insignificance. We should first be despised for our folly, and next, peradventure, insulted, with all the disadvantages of such a condition to cope with. The great bulk of the commerce of the world would fall at once into the arms, and its profits into the lap, of our great rival. Our political and commercial relations with all other nations, would suffer in the same proportion. All this would fall back upon our domestic condition with a tremendously paralyzing and blasting influence.

### *How new theories and new experiments of Government are dangerous to our institutions.*

If they enter into the vitals of society, affecting its whole body from the heart to the extremities, forcing the entire machinery to act on a new principle, or new principles, like the scheme of the Government Bank and its comprehensive policy, *it is a revolution*. It was the intention of the framers of our Government, it is the intention of the democracy of this country, that this Government and these institutions should be *maintained*, not *overthrown*. No more theories. No more experiments. No more deviations from the advice of experience. We know what is good. We don't want that which is uncertain. In our present state and prospects, the probable results of this rashness are fearful to contemplate.

### *How to know the true democracy.*

Fortunately, the true doctrine of American democracy has obtained such a place in the public mind, that it cannot be easily dislodged, or cheated out of its claims. Every freeman has got it stereotyped in his brain. It is this : **DON'T GOVERN US TOO MUCH.** Another version of the same sentiment is—*Let the people alone.* They may make mistakes, but they will in the end come right of themselves, quicker than any government can set them right. Indeed, any attempts of Government to prevent the transient evils, which result from the action of our free institutions, will only abridge freedom, and aggravate public calamity. Ours is a popular, democratic government, and you cannot touch the primary springs of such institutions, to control them, without embarrassing the whole machinery. It won't do. It is the very destruction of our liberties.

It will be seen, by the things we have had under consideration in these pages, that this great and fundamental principle of American democracy has been and is being violated by the policy and measures of our Government. Our only safety is in returning to that principle. The voice of the people of this land should be heard, from Nova Scotia to Texas, in one loud, long note of determined purpose : **Don't govern too much. Let the people alone.** If we get into difficulty, we'll get out again.

It is the violation of this vital principle of democracy, it is this concentration of influence in the national Executive, this gradual encroachment of the principle of consolidation, this Federal grasp that clutches all things it can lay its hands upon, to perpetuate power in the same set of men—yes, it is this that has led to all our difficulties.

### *How the abolition of credit is the abolition of morality.*

Define credit as we will, we cannot disjoin it from public morality. It is always the exact measure of the soundness of the social state. What could be more preposterous, then, what more shocking, than for a Christian Government, for any Government whatever, to undertake the abolition of credit ? Is it possible there should be too much, “a redundancy,” of public morality, or that it should be too influential ? It has certainly received a shock in the recent disasters of our country, and urgently demands the healing, restoring agency of a parental Government. Yet they seem to have set themselves to eject it from the body politic, as if it were a foul demon !

### *How the Government governs too much.*

They govern too much, in presuming that, if the people think they can better their condition or promote their happiness by planting mulberry trees, or trading in city lots, or projecting a new town in the woods, or shipping warning pans to the West Indies, or ice to Calcutta or New South Wales, or sailing in a balloon, they will not claim leave to try ; and if they fail, that they will not assert the right of trying something else according to their best discretion. They govern too much, in presuming that the people will allow their private enterprises to be interfered with, or their private affairs to be superintended, by Government regulations and police. They govern too much, in presuming that the evils of indiscretion in the management of private affairs can be better remedied by the action of Government, than by the experience of the parties concerned. They govern too much, in presuming to call the private enterprises of our citizens “ wild speculation,” “ fraudulent credit,” “ gambling,” “ swindling,” &c. &c., and then proceeding to punish these acts as vices and crimes, without trial, themselves being the accusers, judges, and executioners. They govern too much, in punishing the innocent with the guilty—a nation of innocents for a few offenders—and in doing the whole by an *ex post facto* law of their own devising.

It may be, that many of our citizens have made too free with their freedom. This is the natural operation of our free institutions. But they were for the most part honest ; they made haste to get rich ; they have suffered for it ; and now what do they get from the Government of their country ? Sympathy, kindness,

help, protection? No such thing. But they are visited in vengeance, arraigned as criminals, sentenced without trial, put to the torture without mercy; and here we are all in the same mass; all dragged to the same doom, whipped and scourged as if we were a nation of malefactors!

What right have our Government, either to call the private enterprises of our citizens vices and crimes, or to punish them as such by ex post facto enactments? If a Russian or Turkish despot had committed an equal outrage on his abject slaves, it would rouse the sympathy and indignation of the world. "Speculation," "fraud," "gambling," "swindling." These are the charges—charges brought by the Government against a free people! And then the people are punished—all, the innocent with the guilty, without opportunity of defence, and by an arbitrary law which had no existence before! Obviously, we are governed too much. The best Government is that which is neither seen, nor felt, by the innocent and good citizen. That is true American democracy.

### *A hard case.*

There are the State debts, incurred from the noblest motives, by the most unquestionable aims of patriotism and State pride, under prospects not only justifiable in the light of all the prudence and sagacity of the wisest men of the time, but highly praiseworthy in the circumstances of the several cases. But the infatuated policy, usurped powers, and tyrannical measures of our national administration have brought about domestic troubles of a most disastrous and ruinous character, and so affected our credit abroad, as to place all the States thus involved in a most uncomfortable, anxious, and truly calamitous condition. And how does our National Government treat these States as a compensation for the responsibility of measures that have led to such consequences? Do they say to the creditors abroad and elsewhere, that these debts are good and safe? Do they volunteer any sort of facility to aid these suffering members of the Union in their embarrassed circumstances? Do they even let them alone, and permit them to do the best they can on the basis of their own credit? Alas to say, they have not so far respected the dignity of their high estate, but have descended, uncalled, unprovoked, to the level of the malicious slanderer of his neighbour's reputation, and whispered aside in the ears of the creditors of these States—"Gentlemen, we advise you to have a care, and look to your own interests. Were we solicited, we should not deem it prudent to underwrite for these parties indebted to you." Nay, not exactly this: 'Tis something worse. Or it is not this alone: 'Tis something in addition, and of graver moment. They have appeared before the world; they have volunteered their evidence in open court; they have gone upon the floor of the American Senate; they have indirectly, at no bidding but their own will, announced and proclaimed from that high place, the fact of insolvency in the condition of these States, or what might well be so accepted as such by the parties most interested to know! Instead of the sympathy of fraternal solicitude, and an office of kindness in the hour most needed, there were the whisperings, and there were the public acts of an enemy! Was ever infidelity, treachery, like this, from a party thus related? Does history record such an example of baseness, first to entrap, and then to smite? In the vulgar walks of vulgar men such things have been known; but they are always stamped with the infamy they deserve, when the parties are of sufficient consequence to be made infamous.

No matter whence these calamities come; no matter if the administration of our common country could acquit themselves of this responsibility, and charge the fault at others' doors; no matter if these suffering States had themselves been tempted into indiscretions; yet, there is a fraternal character, a sacredness in the bond of our Federal Union; there is patriotism implied in the compact, and natural to the case and its relations; there is a respect which the states owe to each other, and the nation to the states, before the world; there is a tie that binds us to fight and die for our common honour, even though we quarrel among ourselves; and above all there is a parental character looked for in the supreme authorities

of this Republic, whenever the interests of any of the great family of federated States are in jeopardy, or their social standing is drawn in question. To be wounded by a brother's hand, is cruel; to be assaulted by a parent's, is to have lived too long!

But enough—too much of this. We mean, the fact is too much. If we had not a worthy, patriotic aim in view, demanding, at least making some justification of this notice, the blush of shame which suffuses our cheek in the execution of this task should die away unseen, and the blood which boils in our veins at these recollections should fall back to its wonted coolness, and leave these burning thoughts unrecorded. But these unnatural wranglings, done to such parties from such a quarter, and the sufferings of our common country, so vast and unendurable, and inflicted by the same hands, call for redress. Thank Heaven, that redress, at least relief, is yet in the power of the American people. They have suffered much, long, patiently, nobly, because they respect themselves, and know their strength and their remedy.

*How we have fallen.*

In a time of profound peace—a little Indian war excepted—when the nation was in a career of unparalleled prosperity; when the public treasury was overflowing, and the Government embarrassed only to find ways to dispose of its surplus revenue; when property and labour commanded the highest prices, and no one wanted employment; when internal improvements, on the grandest scale, were advancing with unheard-of rapidity; when agriculture, manufactures, commerce, and the various trades yielded their greatest profit, and all branches of business flourished; when the great staples of the country found a ready market; when the boundless West was peopling, and towns and cities rising on its bosom, as if by enchantment; when credit was unshaken, and afforded all needful facilities to trade; when the currency of the country answered the most desirable purposes of this vital agent of civilization: and when all nature conspired to sustain and augment our prosperity;—at such a time, and in such circumstances of national pride and expectation, by sundry usurpations of Government, and sundry modes of governing too much, credit was suddenly and universally destroyed; business of all kinds, except that of attorneys and sheriffs, was brought to a dead stand; labourers went begging for bread, or starved for want of it; a great portion of the community was reduced to a state of bankruptcy, and all to non-payment; no man could tell what he was worth; and the Government itself was compelled to issue Treasury Notes—a paper based solely on credit—to meet its current expenses!!! Millions of the public money were lost, and lost for ever, by this revolution in the fiscal transactions of the nation.

*How the grievances we now suffer compare with those complained of in the Declaration of Independence.*

Let the freemen of these United States take the Declaration of Independence in hand, and read the specifications of grievances recorded there; let them weigh well the oppressions and cruel despotism which bowed down the spirits of our fathers, till they could bear it no longer; and then let them decide and pronounce, on their own convictions, in view of that record, and of the grievances which are now crushing the spirits of this great nation, if—(hanging excepted, for modern *wranny* is more indirect and refined)—let them decide, we say, with this exception, if they can find *half* the list of grievances, *half* the instances of despotic and cruel sway, *half* the want of sympathy with the miseries of a suffering people, *half* the laughing scorn thrown back in the face of complaint, *half* the pressure of complicated and overwhelming calamity, or *half* the m-ditated ruin, which are to be found in the history of the last few years of this country, in our present condition, in our present prospects, under our own Government! Our fathers waged the war and fought the battles of the Revolution for *principles*, because the Crown claimed to tax *tea*, &c. Now, we have not only principles to contend against, but their fatal, tremendous results! Then, our fathers strove to *prevent* what

might come. Now, the task imposed upon us is to rid ourselves of the evils that have already fallen on our heads.

*It can't be worse.*

Manifestly the country cannot be worse by a change of Administration. But—

*It must be better.*

First, because there is no getting away from the fact, that our Government have brought upon us most of the evils we feel. A change of policy and measures is indispensable to our deliverance. Next, because a new administration will feel the necessity of granting relief. Those now in power cannot and will not do it, because they will not change. Thirdly, because the new administration, as we have ground to expect, will be a very able one. Fourthly, because they well know their fate before the nation will depend on the good they shall do in meeting the great exigencies of the time. They must relieve the nation, or forfeit its favour. There is no other alternative. They have maintained that the cause of our distress is bad government. They must, therefore, prove it by removing the distress. Fifthly, there is rottenness in Denmark, and it is necessary to get it out. A long lease of power to one class of men tempts corruption, and they must be more than human not to yield to it. A change is necessary to expose these corruptions, and bring the causes of our troubles to light. Sixthly, a change is necessary to maintain our happy form of Government and its free institutions. The two great parties of this country will always remain nearly equal to watch each other, and every few years there must be a change. This is essential to the preservation of our liberties. If power stays always in the hands of one party, the leaders would ruin us. This accounts for the fact, that we are nearly ruined now. It is because the leaders have been encroaching on the liberties of the people to perpetuate their power. As a nation we are now on the brink of a precipice. One step farther in the same direction, may plunge us from a giddy height into an abyss where we may have to wail our fall without hope of relief.

### ONE PRESIDENTIAL TERM, NOW AND FOREVER.

A statesman of the profoundest political sagacity, uncommitted to any party in our country, whose authority is therefore entitled to greater weight, has said:—“When the head of the state can be *re-elected*, the evils rise to a great height, and compromise the existence of the country. Places become the reward of service rendered, not to the nation, but to the chief. A state may survive a host of bad laws. But a law which nurtures the growth of the canker within, **MUST PROVE FATAL IN THE END.**”

The present Chief Magistrate of this country, as one of a committee of the Senate of the United States in 1826, said: “The President of the United States makes and unmakes those who administer the system [of his Government] . . . His spirit will animate their actions in all the elections to State and Federal offices. We must, then, look forward when the public revenue will be doubled. [Or when we shall have a Government Bank—a thing never dreamt of so long ago.] . . . The President wants my vote, and I want his patronage. I will vote as he wishes, and he will give me the office I wish for. What is this but the government of **ONE MAN**? And what is the government of one man but a **MONARCHY**? Names are nothing; but the nature of a thing is in its substance.” How prophetic of the very position in which we now are—in which that very man is! “Is thy servant a dog that he should do this?”

GIBBON says: “In whatever state an individual unites in his person the execution of the laws, the command of the army, **AND THE MANAGEMENT OF THE REVENGES**, that state may be termed a **MONARCHY**.”

But we have now before us the proposal of **ONE PRESIDENTIAL TERM**, to rescue us from these imminent perils. God speed the issue, and the Republic will be saved. We shall have no more spending of the whole of the first presidential term to secure a succession to the second.

## AWAY WITH PARTY.

Yes, in such a time, away with party, and go for the country, for freedom, for the Constitution, for the laws, for deliverance, for prosperity. He who talks of party now, who can be bribed by its promises, or intimidated by its threats, who can be swayed by any less holy sentiments than patriotism and a sympathy with the distressed, is a traitor to his country, and a recreant to the love of his species.

## THE MAN OF THE PEOPLE.

We have before us a man whom the spirit of party has never tainted ; a man worthy of our confidence in this great endeavour to redeem the nation ; a man who has fought the battles and cultivated the soil of his country ; who has assisted in making her laws, and presided over their execution ; a man who has dignified station, and honored the walks of private life ; who has shown himself the worthy companion of the great, and the poor man's friend ; who has never flattered the pretensions of the lofty, nor frowned on the timidity of the humble ; a man whose virtues have ever secured him the approbation of the good, and exposed him to the maledictions of the vile ; who is too modest to proclaim his merits, and too generous to avenge his wrongs ; who relinquished the sword for the plough, the pomp and parade of office for the occupations of the citizen ; a man whose sympathy has ever been with the people, whose aspirations have ever been for their welfare, and who has enthroned their happiness and prosperity as household gods at his hearth. This man is **WILLIAM HENRY HARRISON**, the **CINCINNATUS** of the West, now called by the voice of his fellow-citizens to preside over the destinies of this Republic.

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### NOTICE.

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